

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1842 – HB 2198

March 12, 2018

SUMMARY OF ORIGINAL BILL: Requires the Tennessee Higher Education Commission (THEC) to print the disclosure concerning transferability of credits for potential students in no less than 18 point font, rather than 16 point font.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013525): Deletes all language after the enacting clause. Requires the University of Tennessee (UT) Institution for Public Service to operate the Tennessee Foreign Language Institute (TFLI). Requires a special advisory committee rather than a governing board to have authority for hiring decisions. Requires the TFLI to report annually to the UT board of Trustees. Establishes any funding or grants appropriated or received for use by the TFLI prior to July 1, 2018, to be transferred to the UT Institute for Public Service.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – \$367,800/One-Time/University of Tennessee

**Decrease State Revenue – \$367,800/One-Time/
Tennessee Foreign Language Institute**

Other Fiscal Impact – The Governor’s 2018-2019 Recommended Budget Document, on page B-112, recognizes a total budget of \$2,169,700 for the Tennessee Foreign Language Institute (TFLI) funded by state appropriations of \$678,800 and private contributions of \$1,490,900. The University of Tennessee will assume control of this budget, including all funding and expenditures associated with the TFLI, beginning in FY18-19.

Assumptions for the bill as amended:

- Based on information provided by the Tennessee Board of Regents, the TFLI fund has a current balance of \$367,824 as of March 12, 2018.

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- The proposed legislation would require any funding or grants appropriated or received for use by the TFLI prior to July 1, 2018, to be transferred to the UT Institute for Public Service.
- The one-time transfer in funding will result in a one-time decrease in state revenue to TFLI estimated to be \$367,824 offset by a one-time increase in revenue to UT of \$367,824.
- Based on information provided by UT, UT will not require additional staff or resources to oversee the transition of UT operating the TFLI. Therefore, any fiscal impact to UT or its operations to operate TFLI is estimated to be not significant.
- Currently the TFLI Governing Board has authority for hiring. This legislation will remove the Governing Board and replace it with a special advisory committee with the authority for hiring. Expenditures for the special advisory committee will not be significantly different than the currently existing Governing Board.
- The TFLI will continue to operate and expenditures and revenue will not change.
- Page B-112 of the 2018-2019 Governor's Recommended Budget recognizes state expenditures of \$678,800 and private contributions of \$1,490,900 to TFLI in FY18-19 for total expenditures estimated to be \$2,169,700 (\$678,800 + \$1,490,900). UT will take control of this budget in FY18-19.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

/rbp